
PROGRAM MEMORANDUM INTERMEDIARIES

Department of Health
and Human Services

Health Care Financing
Administration

Transmittal No. A-01-58

Date MAY 1, 2001

This Program Memorandum re-issues Program Memorandum A-00-28, Change Request 429 dated May 2000; the only change is the discard date, all other material remains the same.

This Program Memorandum re-issues Program Memorandum A-99-11, Change Request 429 dated March 1999; the only change is the discard date, all other material remains the same.

CHANGE REQUEST 429

This Program Memorandum re-issues Program Memorandum A-98-17 Change Request 429, dated May 1998; the only change is the discard date all other material remains the same.

SUBJECT: Clarification of Provider Cost Report Filing Requirements

This Program Memorandum (PM) is being issued to clarify some filing requirements for the Form HCFA-339, Provider Cost Report Reimbursement Questionnaire, and to update several references to the cost reports.

FILING REQUIREMENTS

It has come to our attention that Fiscal Intermediaries (FIs) are not receiving Form HCFA-339 from some home offices, along with their cost statement, Form HCFA-287. Section 1100, HCFA Pub. 15-II, requires home offices to submit Form HCFA-339. Failure to submit it will result in rejection of the home office cost statement and the elimination of all home office costs from the related provider cost reports.

We were asked if End Stage Renal Disease (ESRD) facilities are required to file the HCFA-339, because it was not specifically listed on the first page of Exhibit 1. We did not list every cost report form in existence. Instead, we included a line for ~~A~~Other cost reports on the first page. ESRD facilities are required to complete the HCFA-339, as well as all providers submitting full cost reports (please refer to 1100.1 of the instructions).

EXPANSION OF SERVICES AND/OR BUSINESS

All providers are to complete and submit the attached sheet with their Form HCFA-339. Please distribute a copy to each of your providers. This will be effective for cost reporting periods ending on or after June 30, 1998.

OWNER-S/MANAGEMENT PERSONNEL COMPENSATION

We do not require Prospective Payment System (PPS) hospitals to complete Exhibit 6, Providers Owners/Management Personnel Compensation Exhibit. However, we will now require Exhibit 6 to be completed by any cost based units attached to PPS hospitals, effective for cost reporting periods ending on or after June 30, 1998.

Reporting Needs:

The instructions indicate that compensation must be reported for not more than the top 10 management personnel. The exhibit for owners and relatives is not limited to 10 individuals. All owners and relatives employed by the provider must be included in the report. This is in addition to the manager's exhibit.

Rejection of the Cost Report:

Failure to submit the HCFA-339 is a cause for rejection. However, some of the data which is requested on Exhibit 6, as well as on other exhibits, may not be available. When a provider is unable to complete all items in Exhibit 6, as well as any other Exhibit, it is the provider's responsibility to furnish written justification for the omissions on the HCFA-339. FIs may exercise their discretions when reviewing the provider's explanation for the missing information. If the FI deems the missing data is necessary and available to the provider, it may reject the cost report.

WAGE-RELATED COSTS

Wage-related cost reporting applies to:

- PPS hospitals effective for cost reporting periods beginning on or after October 1, 1994.
- All skilled nursing facilities filing Form HCFA-2540 for cost reporting periods beginning on or after July 1, 1995.

The following are corrections to the cost report references indicated in the Form HCFA-339, dated November 1995, and later. For cost reports and Form HCFA-339s already filed, this data is for reference purposes only, not requiring any action by the providers or FIs.

FORM HCFA-339 REFERENCE	HCFA COST REPORT FORM	COST REPORT REFERENCE
' 1102.3.I	2552-92	Worksheet S-3, Part III, column 3, line 26
	2552-96	Worksheet S-3, Part II, column 3, line 9
	2540-96	Worksheet S-3, Part II, column 3, line 17
' 1102.3.P	2552-92	Worksheet S-3, Part III, column 3, lines 28 and 29
	2552-96	Worksheet S-3, Part II, column 3, lines 13 and 14
	2540-96	Worksheet S-3, Part II, column 3, lines 19 and 20
Ex. 1.I.4	2552-92	Worksheet S-3, Part III, column 3, line 26
	2552-96	Worksheet S-3, Part II, column 3, line 9
	2540-96	Worksheet S-3, Part II, column 3, line 17
Ex. 1.K.7	2552-92	Worksheet S-3, Part III, column 3, line 27
	2552-96	Worksheet S-3, Part II, column 3, lines 11 and 12
	2540-96	Worksheet S-3, Part II, column 3, line 18
Ex. 1.P.2	2552-92	Worksheet S-3, Part III, column 3, line 25
	2552-96	Worksheet S-3, Part III, column 3, line 3
	2540-96	Worksheet S-3, Part II, column 3, line 16

Attachment

These instructions should be implemented within your current operating budget.

Any questions regarding this material should be addressed to Wayne Schreiber at 410-786-7549.

This Program Memorandum may be discarded May 1, 2002.

EXPANSION OF SERVICES AND/OR BUSINESS

All providers are to answer the following and attach it to the front of their submitted Form HCFA-339:

- Has your facility/business purchased a physician practice or any other entity during the current cost reporting year?
- If yes, have you notified your Regional Office and fiscal intermediary?
- If yes, has the state agency completed their survey and granted approval that the entity or physician practice purchased is considered provider-based?
- If yes, is this included in your cost report as a provider-based entity?